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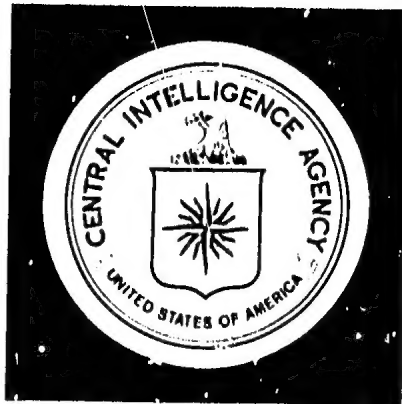
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*Developments in Indochina*

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DEVELOPMENTS IN INDOCHINA

*(Information as of 1500)*

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SOUTH VIETNAM

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The government has launched a major operation to relieve Communist pressure on Rach Bap. Tonle Cham is still threatened.

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The Viet

Cong are still not satisfied with the arrangements for the Two Party Military Commission.

CAMBODIA

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The government is using its emergency powers to tighten controls over the population, and there are unconfirmed reports that In Tam has been arrested. Insurgent attacks picked up on 21 March.

LAOS

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The negotiations remain stalled, and there are no signs that the chief Communist negotiator is on his way back to Vientiane. Very little military activity was reported on 20 March. Pathet Lao envoys are busy trying to organize political support among monks and students in Vientiane. Three countries have made contributions to the Foreign Exchange Fund.

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SOUTH VIETNAMThe Military Situation

The government has begun a major campaign to relieve Communist pressure against Rach Bap, north of Saigon. According to a South Vietnamese military spokesman, the operation is the second largest the government has undertaken since the cease-fire went into effect. The government reportedly is threatening to begin a similar effort against North Vietnamese forces attacking Tonle Cham, farther north on the Tay Ninh - Binh Long provincial border.

The Communists shelled Tonle Cham's defenders with more than 500 rounds of artillery and mortar fire on 20 March. At last report the Communists had edged to within 500 feet of the base.

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The camp overlooks an infiltration corridor along the Saigon River from Cambodia to central Binh Duong Province.

In the northern provinces, the Communists shelled and lightly probed government positions in the Song Bo Valley west of Hue where the South Vietnamese hold important high ground overlooking North Vietnamese infiltration routes to the lowlands. To the west, aerial photography detected Communist truck traffic and several light tanks along roads in the A Shau Valley region on 20 March. In Quang Tri Province, the combat activity of both sides fell to the lowest level in nearly a year.

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Maneuvering Over the PRG

In a conversation with US officials, another Hungarian ICCS delegate claimed that the PRG will insist on moving its delegation from the Tan Son Nhut compound into either downtown Saigon or a contested area when the Four Party Joint Military Commission expires and their North Vietnamese colleagues depart. In addition, a Polish official has claimed that PRG representatives to regional sites might go directly to their assignments from Viet Cong controlled areas, symbolically bypassing the Saigon government.

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CAMBODIAGovernment Controls

The government continues to tighten controls over the population. The National Assembly on 21 March ratified the state of emergency recently promulgated by Lon Nol. The extra-legal powers granted the government will be in force for six months. Strict censorship laws have been announced. In an apparent effort to prevent students and teachers from assembling on an organized basis, the government has rescinded an earlier decree ordering the resumption of classes next week. Instead, the students have been called on to "participate in the defense and development of the Republic."

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In Tam Arrested?

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In Tam has a wide popular following in the capital, he has no organized civilian support and is disliked by many of the military. Even so, his arrest would almost certainly increase the political tension and confusion that has been building in Phnom Penh since the violent events of 17 March.

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Rumors that the government is arresting scores of opposition elements continue to circulate in Phnom Penh, but the US Embassy reports that thus far there are no signs of large-scale roundups. Three sons of Sihanouk's Peking-based "prime minister," Penn Nouth, and former pro-Sihanouk presidential candidate Keo An apparently have been detained for questioning.

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LAOSNegotiations Still Stalled

The government's draft protocols presented on 21 March to the joint groups charged with working out political and military details of the peace agreement produced no more than general and inconclusive debate.

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The Communist negotiators claim they are not competent to deal with the exact composition of a new government--an issue central to resolution of most of the political details in the protocols. They indicate that this decision will have to be made by Souvanna and a senior Communist official, presumably Phoumi Vongvichit.

Phoune Sipraseuth, the ranking Pathet Lao negotiator at the meetings, refused to say when Phoumi would return from Sam Neua. In response to a direct question, Phoune stated that the Communist side considered that the Lao peace agreement would still be in force if a new government was not formed by the 23 March deadline.

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Pathet Lao Proselyting Efforts

Pathet Lao envoys in Vientiane to negotiate with the government have begun to organize political support in the non-Communist zone. In late February, for example, Maha Kou Souvannamethi, a leader of Communist religious fronts, and Phoumi Vongvichit met with influential Buddhist monks in Vientiane to ask them to pressure the government to adhere to the peace agreement. Phoumi requested a list of monks possibly sympathetic to the Pathet Lao. He reportedly already had letters for monks in other areas of the

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country.

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There is no evidence of any significant results from their efforts. The monks in Vientiane are usually indifferent to politics, and student leaders merely deposited the Communist propaganda offerings in the library. Nevertheless, the Communists are likely to keep on trying to build grass-roots support. Government leaders, in contrast, seem to be making little real effort to gain popular backing.

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Headway on Aid Agreements

The US, France, and the United Kingdom this week signed pledges to the \$27-million Foreign Exchange Operations Fund (FEOF). Procedural problems caused by the world monetary situation have led Japan and Australia to postpone signing, probably until next month. Since donations of individual countries are, in effect, negotiated and signed bilaterally, the FEOF is certain of at least \$23 million in new donations and carry-over from last year, and can continue to operate without Japan and Australia. The FEOF provides part of the foreign exchange needed to make up the Laotian trade deficit. It also helps by absorbing local currency generated by war-related government deficits.

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